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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 000119

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [AM](#)

SUBJECT: RUSSIAN DEFENSE MINISTER IN ARMENIA, NATURAL GAS
NOT ON AGENDA

REF: A) YEREVAN 110 B) YEREVAN 98 C) MOSCOW 811

Classified By: Ambassador John M. Evans for reasons 1.4 (b, d).

SUMMARY

1. (C) Russian Defense Minister Sergey Ivanov arrived in Armenia January 26 for meetings with Armenian President Robert Kocharian, Defense Minister Serzh Sargsyan, and Chief of General Staff General Mikhael Harutiunyan. Speaking at Yerevan's Zvartnots Airport (extreme weather conditions postponed Ivanov's his flight from Baku) reporters quoted Ivanov saying he planned to discuss "the entire complex of bilateral issues." Armenian Defense Minister Serzh Sargsyan touted "Russian-Armenian military cooperation" as "steadily developing." Ivanov inspected Russia's 102nd military base in Gyumri, and announced Russian plans to transfer additional materiel from Georgia. Ivanov's visit comes as Armenia braces for possible energy outages following explosions in North Ossetia (ref B), amid on-again, off-again rumors about the pipeline, conspiracy theories floated in the Armenian press that Russia is intentionally delaying repairs (ref A), and on the heels of unsuccessful negotiations (from the point of view of the Armenians) about significant price-hikes for Russian gas (septel). Throughout the visit, both sides avoided questions related to the cutoff of Russian supplies of gas to Georgia and Armenia, while Armenian gas reserves (believed to have only 24-48 hours left) dwindled. End Summary.

IVANOV AND SARGSYAN: PRICE OF GAS NOT RELATED TO SECURITY

2. (C) "The price of gas has nothing to do with our security," Armenian Minister of Defense Serzh Sargsyan told reporters after meeting with his Russian counterpart, Sergey Ivanov, on January 26. Both Ministers declined to answer questions about the January 22 cutoff of Russian natural gas supplies to Georgia and Armenia, and redirected press inquiries to focus instead on the growing Russian-Armenian "strategic partnership," the transfer of Russian material from Georgian bases to the 102nd Russian military base in Gyumri, the state of repair of the 102nd military base, and Ivanov's negative outlook on the OSCE's role in Nagorno-Karabakh negotiations.

RUSSIAN MILITARY BASE PART OF ARMENIA'S NATIONAL SECURITY

3. (C) "The Russian base is a component of Armenia's national security and we still need that base," Sargsyan told reporters. During his visit, Ivanov inspected the 102nd military base, and announced to press that he observed no problems with base storage depots. According to press reports, Russian General Aleksander Baranov, commander of Russia's North Caucasian Military District, told Ivanov that 102nd depots have reached 60 percent capacity (following transfers of materiel from the Russian base in Akhalkalaki), with additional storage for additional transfers of materiel from Georgia.

SARGSYAN: NEGOTIATIONS ON GAS ISSUE STILL ONGOING

4. (C) Ivanov's visit comes as Armenia braces for possible energy outages following explosions in North Ossetia (ref B), amid conspiracy theories floated in the Armenian press that Russia is intentionally delaying repairs (ref A), and on the heels of thusfar unsuccessful negotiations (from the point of view of the Armenians) about significant price-hikes for Russian gas (septel). During Ivanov's visit, Sargsyan told reporters that "negotiations on the gas issue are still going on." (Note: Declining to predict the outcome, Deputy Minister of Energy Areg Galstyan told us on January 27 that the final round of negotiations would be held "sometime in mid-February." End Note.)

"WHEN GAS SUPPLIES ARE RESTORED HERE, WE'LL HELP GEORGIA"

15. (C) On January 27, a day after Ivanov's official visits, Deputy Minister of Energy Areg Galstyan told us he had received news from ArmRosGazProm director Karen Karapetyan that gas will begin flowing to Georgia the evening of January 27. (Note: We have not confirmed this report, which echoes several on-again, off-again rumors circulating in official Yerevan and throughout the Armenian press. End Note.) Galstyan told us that, at our request, he spoke to Armenian Minister of Energy Movsisyan, who assures "wants to assure" the United States Government, that Armenia will re-commence energy transmission to Georgia as soon as Armenia has the capacity to do so. Galstyan would neither confirm nor deny his or the GOAM's assessment of the delay in restoring the flow of gas to Georgia, saying only that "if Saakashvilli said it, we can only assume he thinks he has a basis for making such allegations."

COMMENT: NO MENTION OF GAS CUTOFFS STRIKING

16. (C) Inaugurated with a visit by Armenian President Robert Kocharian to Moscow, "The Year of Armenia in Russia" kicked off January 22 with two large explosions in North Ossetia. With the cutoff of Russian gas, critically low Armenian gas reserves (predicted to deplete by January 29), and conspiracy theories surrounding Russia's delay in restoring the supply line, the pronounced silence about the situation, from Armenian officials and from Ivanov, is striking, particularly since Armenian gas reserves (believed to have only 24-48 hours left) are dwindling. Ivanov's visit highlights official Yerevan's commitment to maintaining relations with Russia, no matter what officials might believe about the current situation.
EVANS